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ing assets at a certain cost, be it high or low, the accounting problem is confined to the proper distribution of that cost over the years of the efficient life of the wasting assets. Suppose a machine costs \$1100 with expected life ten years and scrap value \$100, the proper provision for depreciation is \$100 a year. It makes no difference at all that in five years the market price of such a machine may have advanced to \$1500. It is still only necessary within the ten years to refund the cost of the machine which was purchased for \$1100. When it becomes necessary to purchase another machine at the end of ten years it may cost \$1500 which will need a capital outlay of \$500 in excess of that needed for the purchase of the first machine, but this circumstance does not render inadequate the allowance of \$100 per annum for depreciation on the first machine which cost only \$1100. It cannot be too clearly stated that depreciation is not a provision for the cost of future renewals, but is solely concerned with the need of replacing the cost of wasting assets already acquired, and which are being wasted in the process of earning the revenue of an undertaking.

P. D. LEAKE.

*London.*

#### NEW BOOKS

- ABBOTT, H. S. *A treatise on the law of public securities.* (Chicago: Callaghan & Co. 1913. Pp. xx, 1280. \$7.50.)
- ATKINSON, W. W. *The psychology of salesmanship.* (Holyoke, Mass.: Elizabeth Towne Co. 1912. Pp. 246. \$1.)
- BABSON, R. W. *Business barometers used in the accumulation of money; a textbook on applied economics for merchants, bankers and investors.* Sixth edition. (Wellesley Hills, Mass.: Babson's Statistical Organization. 1913. Pp. 426. \$2.12.)
- BENDER, M. T. *A digest of the bankruptcy decisions under the national bankruptcy act of 1898, reported in the American bankruptcy reports, vols. 21 to 27 inclusive.* (Albany, N. Y.: M. Bender & Co. 1913. Pp. xvi, 583. \$5.)
- BRACE, H. H. *The value of organized speculation.* Hart, Schaffner & Marx prize essays, XIV. (Boston: Houghton Mifflin. 1913. Pp. xii, 290. \$1.50.)
- BUREAU OF MUNICIPAL RESEARCH. *Handbook of municipal accounting.* (New York: Appleton. 1913. Pp. xxx, 318. \$2.)
- COLE, W. M. *Cost accounting for institutions.* (New York: Ronald Press Co. 1913. Pp. 263. \$2.50.)
- COLLINS, C. A. *Productive sales methods.* (New York: Collin Armstrong. 1913. Pp. 68.)

DEMONCEAUX and SAVIGNY. *Compatibilité des épiciers et des marchands de comestibles en gros, demigros et détail.* (Paris: Pigier. 1913. Pp. 168. 3.50 fr.)

DuBois, C. G. *A brief history of telephone accounting. A lecture delivered to the students of the Amos Tuck School of Administration and Finance, Dartmouth College, Hanover, N. H.* (Privately printed. 1913. Pp. 39, 28, chart.)

The author is comptroller of the American Telephone and Telegraph Company; and the history pertains more especially to developments in this company and its antecedents. After a brief introduction a rapid survey is made of telephone accounting from 1883 to 1907. Part III of the pamphlet (pp. 8-27) covers the modern period (1907-1912). It discusses the developments in business organization, also questions of publicity and public regulation; makes a classification of the principal accounts used; shows how depreciation is treated, how the different classes of revenue and expense are separated, how operating and functional standards are maintained and used; shows especially the increasing use that is made of the accounts and financial reports by the various administrative officers. Part IV (pp. 27-33) covers the period under federal control, presenting a summary of the uniform system of accounts for telephone companies, as ordered by the Interstate Commerce Commission on December 10, 1912, and placed in effect January 1, 1913. This system is required of all telephone companies doing business in two or more states, and having annual operating revenues of over \$50,000. It was worked out by the commission in coöperation with the telephone companies, and accords well with the best practice which has been previously established. There is, however, one danger in the administration of the system by the commission, that of making the system too exact and rigid. Room should be left for new developments. Accounting systems cannot be made final and absolute if they are to serve the best interest of the business and the public.      JOHN BAUER.

ELBROW, G. *The new English system of money, weights, and measures and of arithmetic.* (London: King. 1s.)

ERICKSON, H. *Depreciation.* (Madison, Wis.: Democrat Printing Co. 1912. Pp. 43.)

An address delivered before the Convention of the Central Water Works Association, Detroit, Michigan, September 25, 1912, by a member of the Wisconsin Railway Commission. A brief but comprehensive discussion in which the following points are considered, all in fairly clear fashion: the nature of depreciation; its necessary inclusion in operating expense; the factors that determine the life-time of plant; how depreciation is distinguished from repairs; methods of calculating depreciation, and the effect of each upon operating costs and plant balances; the technique of recording depreciation.      J. B.

FRANKLIN, B. A. *Cost reports for executives.* (New York: Engg. Mag. 1913. Pp. 149. \$5.)

- GIBSON, T. *The elements of speculation*. (New York: Gibson Pub. Co. 1913. Pp. 149. \$1.)
- GOBRECHT-DARRACH, C. *Valuation of the properties of public utility corporations*. (Philadelphia: Charles Gobrecht-Darrach. 1913. Pp. 61.)
- GRIFFITH, W. E. *The Griffith system of rapid trial balance*. (Buffalo: G. E. Farthing. 1913. \$2.)
- HABERLAND, G. *Der Einfluss des Privatkapitals auf die bauliche Entwicklung Gross-Berlins*. (Berlin: Heymann. 1913. Pp. 67. 2 m.)
- HARRIS, C. L. *Harris' public land guide; showing the location of vacant lands by counties and states on July 1, 1911*. (Chicago: Peterson Linotyping Co. 1913. Pp. 727. \$5.)
- JONES, E. D. *Business administration; the scientific principles of a new profession*. (New York: Engg. Mag. 1913. Pp. 49. 50c.)
- KLEIN, J. J. *Elements of accounting, theory and practice*. (New York: Appleton. 1913. Pp. 14, 422. \$1.50.)  
To be reviewed.
- MOODY, J. *Moody's analyses of investments*. Part I: *Steam railroads*. Fourth annual number. (New York: Analyses Pub. Co. 1913. Pp. 11, 744, maps. \$15.)
- MUELLER, E. *Der Grossgrundbesitz in der Provinz Sachsen*. (Jena: Fischer. 1912. Pp. 128.)
- PAGE, L. *La bourse classique modernisée. Ses dangers*. (Paris: Dubois et Bauer. 1912. Pp. 55. 1.25 fr.)
- POOLE. *Timber land bonds analyzed as investments for banks and trust companies*. (Chicago: C. L. Poole & Co. 1913. Pp. 80.)
- RAFFETY, F. W. *Modern business practice*. (London: Gresham Pub. Co. 1913. Pp. 260. 7s. 6d.)
- SAVIGNY and DEMONCEAUX. *Comptabilité des sociétés coopératives*. (Paris: Pigier. 1913. Pp. 124. 3.50 fr.)
- SHATTUCK, E. W. *Method in investment*. (New York: E. W. Shattuck, 24 Stone St. 1912. Pp. 72.)

The author discusses briefly the comparative merits of various investments, but with generalizations much too sweeping. He becomes least indefinite in his discussion of "intrinsic value," for in this he uses two examples, United States Steel and Northern Pacific stock. However, he uses "intrinsic value" in two different senses in the same paragraph; first, as the amount which the shareholders would get if the property were sold; second, as "determined by the earning power" of the corporation. In his analysis of Northern Pacific he writes, "always there has been a growing business," disregarding his own later statement, "the earnings left for dividends have lately fallen off." He says: "Intrinsically, this stock is worth what it is selling at now, and perhaps more, because

there is hardly any question as to the ultimate future of the Northern Pacific in regard to earning power, whatever the immediate future may develop, either as to earnings or stock prices." This is a fair sample both of the author's reasoning and of his literary skill. He is plainly unaware of how crudely he has sketched his subject. J. F. M.

SCHRAMMEIER, W. *Die deutsche Bodenreformbewegung*. (Jena: Fischer. 1912. Pp. vii, 67. 1 m.)

SINGER, B. *Trade mark laws of the world, and unfair trade*. (Chicago: Hammond Press. 1913. Pp. 685. \$5.)

SWOBODA, O. *Die Arbitrage in Wertpapieren, Wechseln, Münzen und Edelmetallen*. Fourteenth edition, revised by MAX FURST. (Berlin: Haude & Spener. 1913. Pp. xx, 793. 18 m.)

THOMPSON, E. E. *Washington securities, 1913 . . . with a complete record, by the month, from January 1, 1907, of sales and range of prices*. (Washington: Gibson Bros. 1913. Pp. 185.)

TIPSON, F. S. *The theory of accounts*. Second edition, revised and enlarged. (New York: Van Nostrand. 1913. Pp. 225. \$3.)

——— *Results of public companies, company meetings, and balance sheets*. (London: The Times. 1913. 21s.)

## Capital and Capitalistic Organization

### NEW BOOKS

BECCUE, E. *L'internationalisation des capitaux*. (Montpellier: Impr. Gén. du Midi. 1912. Pp. 432. 6 m.)

CONYNGTON, T. *A manual of corporate organization; containing information, directions and suggestions relating to the incorporation of enterprises*. Third edition. (New York: Ronald Press Co. 1913. Pp. xviii, 577. \$4.)

CORRINGTON, M. *The patent law and its administration as aids to monopoly*. (New York: Pearson Pub. Co. 1913. Pp. 63.)

DEWING, A. S. *A history of the National Cordage Company*. (Cambridge: Harvard Univ. Press. 1913. Pp. 153.)

This interesting and careful study (part of a book on "Corporate Promotions and Reorganizations") is divided into two parts, the first, 45 pages in length, being the narrative; the second, 153 pages, being a supplement or appendix containing testimony from various sources, reorganization circulars, newspaper extracts, etc. pertaining to the ill-starred but eventful history of this organization. The narrative portion of the volume is divided into two chapters, the first discussing the promotion and failure of the company, and the second the successive reorganizations of the cordage combinations. The study is most carefully done and is thoroughly commendable. It affords a wide diversity of illustrations of corporate financing and security juggling such as can hardly be found in the history of any other industrial concern. In the opinion of the reviewer, alto-